Jeff Carruth – SBT #24001846
REED & ELMQUIST, P.C.
604 Water Street
Waxahachie, TX 75165
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**ATTORNEYS FOR DEBTOR
AND DEBTOR IN POSSESSION**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	
	§	
TEXAS BAY PLANTATION HOUSE,	§	
LIMITED PARTNERSHIP,	§	CASE NO. 09-37555-HDH-11
	§	**Expedited Hearing Requested**
Debtor.	§	

**EXPEDITED MOTION FOR INTERIM AND FINAL
ORDERS AUTHORIZING USE OF CASH COLLATERAL**

TO THE HONORABLE HARLIN D. HALE, UNITED STATES BANKRUPTCY JUDGE:

Texas Bay Plantation House Limited Partnership, Debtor and Debtor in Possession ("Plantation" or the "Debtor") files this *Expedited Motion for Interim and Final Orders Authorizing Use of Cash Collateral* and in support thereof would respectfully show the Court the following.

I. JURISDICTION

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. Consideration of this action is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

II. PROCEDURAL BACKGROUND

2. On November 2, 2009 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code"), initiating the above-referenced case with this Court. No committee or trustee is appointed, and Plantation continues to operate as debtor-in-possession.

3. This is a single asset realty case.

III. FACTUAL BACKGROUND

4. The Debtor is a Texas limited partnership. The Debtor owns a 125-unit apartment complex commonly known as The Plantation House Apartments located in Dallas, Texas (the "Property").

5. Plantation's primary creditor is RP Dentwood, SC, L.P. ("Dentwood"). Dentwood assets an interest in the rents the Debtor collects from the Property.

6. The Debtor seeks by this Motion an order authorizing the use of cash collateral for expenses incurred during the months of February, 2010 and March 2010.

7. On November 13, 2009, Dentwood filed its *Motion to Prohibit Debtor's Use of Cash Collateral and Request for Segregation and Accounting of Rents* (Docket No. 9) (the "Motion to Prohibit").

8. On December 9, 2009, the Debtor filed a response to the Motion to Prohibit and a counterclaim seeking the use of cash collateral (Docket No. 28).

9. On December 14, 2009, the Court held a hearing on the Motion to Prohibit and granted the Debtor limited use of cash collateral for expenses necessary to operate the Property during November, 2009 and December, 2009.[1]

10. On January 12, 2010, the Debtor and Dentwood announced an agreement for the use of cash collateral for the period of November and December, 2009 and January, 2010. Since January 12, 2010, the parties have worked under the terms of the agreement that was announced.

11. On January 17, 2010, the Debtor presented a proposed budget for January, 2010 expenditures on the Property. To date, the Dentwood has failed and refused to provide final approval for the January, 2010 budget in spite of the Debtor responding to numerous requests for information by Dentwood and holding a conference call with Dentwood on January 27, 2010. The Debtor most recently sought closure from Dentwood as to the January, 2010 budget by correspondence dated February 12, 2010, a copy of which is attached hereto as **Exhibit 2** and incorporated by reference herein. The proposed January, 2010 budget as presented to Dentwood is attached hereto as **Exhibit 3-A** and is incorporated by reference herein, and a budget revised to meet the concerns of Dentwood with respect to an additional property tax escrow payment is attached hereto as **Exhibit 3-B** and incorporate by reference herein.

12. On February 13, 2010, an agreed cash collateral order (the "Agreed Order") to memorialize the agreement was uploaded to the Court.

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[1] On December 14, 2009, the Court ordered that the Debtor engage in a face-to-face meeting with Dentwood prior to the Court approving the further use of cash collateral. From December 16, 2009 through January 5, 2010, the Debtor sought a preliminary conference call with Dentwood to see if an agreement could be reached without a face-to-face meeting and so that cash collateral issues could be discussed first and then concluded decisively at the face-to-face meeting. Dentwood initially agreed on the potential of a decisive conference call with the potential to avoid a face-to-face meeting if the Debtor would supply a specified list of information. The Debtor supplied the information (*see* **Exhibit 1**, attached hereto and incorporated by reference herein), but Dentwood then refused to schedule the call. The Debtor then scheduled the face-to-face meeting to occur on January 7, 2010 and persisted in its request for a preliminary call prior to the face-to-face meeting. Dentwood eventually agreed to a preliminary conference call, but it took place after 5:00 p.m. Dallas time on January 5, 2010.

13. The Agreed Order contemplates that the parties will work together on a cash collateral budget for expenses incurred in connection with the operation of the Property for February-March, 2010.

14. On February 13, 2010, the Debtor informed Dentwood that the Debtor would seek an expedited hearing for February 19, 2010 for the Court to consider the February-March, 2010 budget.

15. On February 15, 2010, the Debtor supplied a proposed budget to Dentwood for February-April, 2010.[2] A copy of the February-April, 2010, budget is attached hereto as **Exhibit 4** and is incorporated by reference herein.

IV. RELIEF REQUESTED

16. The Debtor respectfully requests an expedited hearing on this Motion and entry of order authorizing the use of cash collateral for expenses incurred during the months of January-April, 2010 as set forth in **Exhibit 3** and **Exhibit 4**.

V. BASIS OF RELIEF

17. In spite of the agreement announced on January 12, 2010 and the submission of the Agreed Order to the Court, the cash collateral process in which Dentwood seeks to require the Debtor engage in is at best laborious and pushes the legitimate concerns of Dentwood in the use of cash collateral to an unusual extreme. At worst, Dentwood, through litigation tactics employed through the cash collateral process, seeks to hinder and delay the normal and ordinary operations of the Property and thus harm the Debtor's performance during the pendency of this case. For example, Dentwood under the rubric for November-January has delayed unnecessarily

[2] The January 12, 2010 announcement and the Agreed Order contemplate a budget for the February-March, 2010 period; however, considering the state of affairs between Dentwood and the Debtor and the Court time requested to address cash collateral issues, the Debtor seeks approval of a budget for the period of February-April, 2010.

approval of expenditures such as phone bill payments (*see* **Exhibit 5,** correspondence regarding phone bill expenses, attached hereto and incorporated by reference herein, emphasis added therein) and has asked that the Debtor report on and justify expenditures that are *de minimis* relative to the overall costs of operating the Property and certainly worth much less than the time and expense that is required to address Dentwood's questions in this regard (*see* **Exhibit 6,** Dentwood spreadsheet of November-December approved expenses, attached hereto and incorporated by reference herein, emphasis added therein).

18. Although the parties have communicated directly a great deal of the time since January 12, 2010, the kinds of issues raised and level of detail sought repeatedly by Dentwood usually results in the Debtor expending time and resources (i.e. fees)[3] in extensive correspondence and telephone calls involving counsel for both parties. *See* Exhibit 1.

19. Although the Debtor does not wish to withhold any information from Dentwood concerning the uses of cash collateral, the Debtor requires immediate close of the January, 2010 budget and is quite concerned that Dentwood will unduly withhold approval of the February-April, 2010 budget by further information requests or will engage in such scrutiny of the budget that further unnecessary expenses will be incurred by the Debtor and/or a hearing ultimately will be required regardless of the length of time that Dentwood is permitted to study the budget.

20. Furthermore, the Debtor seeks to implement a normal cash collateral process whereby a budget is approved and scrutiny of the Debtor's expenses and performance under the budget occur after the execution of the budget. The Debtor believes the implementation of a normal cash collateral sequence at this point in the life of this case is justified because of the

[3] Considering the Debtor's position that substantial equity exists in the Property, the Debtor also has an interest in the extent to which Dentwood expends fees in the cash collateral process. *See* 11 U.S.C. §506(c).

substantial information that the Debtor has supplied to Dentwood to date to educate Dentwood about the operations of the Property.

21. Although the Debtor will continue to work with Dentwood in the cash collateral process, the Debtor seeks a hearing on February 19, 2010 for the Court to grant at least interim approval of the Debtor's January-April, 2010 budgets so that the Debtor may avoid a further protracted cash collateral process with Dentwood and thus will be in a position to satisfy in a timely manner expenses incurred in connection with the operation of the Property through the month of February, 2010.

22. The Debtor specifically seeks a hearing on February 19, 2010 because such date follows the final hearing scheduled on February 18, 2010 to consider the *Motion for Relief from Automatic Stay* filed by Dentwood and coincides with the travel of Mr. James Goody, the managing member of the Debtor's general partner, to Dallas for the final lift stay hearing.

VI. ADEQUATE PROTECTION

23. Dentwood is adequately protected with respect to the Debtor's use of cash collateral by the existence of an equity cushion in the Property that exceeds $1,000,000 according to an appraisal procured by the Debtor.

VII. NOTICE TO SECURED CREDITOR

24. As stated above, on February 13, 2010, the Debtor informed Dentwood that the Debtor would seek an expedited hearing for February 19, 2010 for the Court to consider the January-April, 2010 budgets.

VIII. CONCLUSION AND PRAYER

WHEREFORE, Texas Bay Plantation Limited Partnership, Debtor and Debtor in Possession, respectfully requests that an expedited hearing be held on this Motion on February

19, 2010 and that the Court grant the Debtor's use of cash collateral according to the January-April, 2010 budgets, Exhibits 3 and 4. The Debtor further requests such other and further relief to which the Debtor is entitled at law or in equity.

DATED: February 16, 2010

Respectfully submitted,

REED & ELMQUIST, P.C.
604 Water Street
Waxahachie, TX 75165
(469) 483-0218
(972) 923-0430 (fax)

By: */s/ Jeff Carruth*
Jeff Carruth – SBT #24001846

ATTORNEYS FOR DEBTOR AND DEBTOR IN POSSESSION

CERTIFICATE OF CONFERENCE

I hereby certify that prior to the filing of this Motion, I conferred with Chuck Cobbe by email and telephone on Saturday, February 13, 2010, and Chuck Cobbe in such communications agreed with the Debtor to setting a cash collateral hearing on February 19, 2010 but reserved the rights of Dentwood with respect to whether notice of such hearing would be adequate. *See* **Exhibit 7** below.

/s/Jeff Carruth
Jeff Carruth

CERTIFICATE OF SERVICE

I hereby certify that on February 16, 2010, a true and correct copy of the foregoing Motion has been served electronically to counsel for Dentwood and the United States Trustee, and by regular mail upon the Debtor's 20 Largest Unsecured Creditors, and any parties requesting notice, as indicated on the attached service list.

/s/Jeff Carruth
Jeff Carruth

Attorney General of Texas
P.O. Box 12548
Austin, TX 78711

Internal Revenue Service
Bankruptcy Unit
1100 Commerce Mail Code 5026DAL
Dallas, TX 75242

Internal Revenue Service
Bankruptcy Dept.
PO Box 21126
Philadelphia, PA 19114

RP Dentwood SC, LP
12342 Inwood Rd.
Dallas, TX 75244

Texas Bay Plantation House General Partner, LLC
P.O. Box 471300
San Francisco, CA 94147

Texas Comptroller of Accounts
Bankruptcy Section
P.O. Box 13528
Austin, TX 78711

William T. Neary, U.S. Trustee
1100 Commerce, Room 960
Dallas, TX 75242

Dallas County
c/o Laurie Spindler Huffman
Linebarger Goggan Blair & Sampson, LLP
2323 Bryan St., Ste 1600
Dallas, TX 75201

Charles M. Cobbe, Steven T. Hutcheson, Anne E. Burns
Cavazos, Hendricks, Poirot & Smitham, P.C
900 Jackson St.
570 Founders Square
Dallas, TX 75202

A&G Flooring
10031 Monroe Dr, Suite 203
Dallas, TX 75229

Agnieszka Malecka
2808 Dandelion Lane
Rowlett, TX 75089

American Messaging
P.O. Box 5749
Carol Stream, IL 60197-5749

Apartment Home Living
P.O. Box 1266
San Antonio, TX 78295-1266

AZ Partsmaster
11480 Hillguard Road
Dallas, TX 75243

Community Waste Disposal
2010 California Crossing
Dallas, TX 75220

Dallas Water Utilities
1500 Marilla
City Hall, Room 1AN
Dallas, TX 75201

Glacial Energy of Texas
P.O. Box 1057
Sandwich, Mass 02563

Greensheet
7929 Brookriver Suite 700
Dallas, TX 75247

Jimmy D. Huey
P.O. Box 2143
Hurst, TX 76053

Maintenance Supply Headquarter
12315 Paro Crest Drive
Suite 100
Stafford, TX 77477

Network Communications, Inc.
P.O. Box 100001
Lawrenceville, GA 30046-7001

Sierra Utility Billing Service
P.O. Box 29778
Austin, TX 78755-9778

Webb Pest Control
10963 Cutten Rd.
Houston, TX 77066

Reed Buley DBA Carpet Star
1111 Hughes Ct.
Wylie, TX 75098

Texas Comptroller of Accounts
Franchise Tax Dept.
P.O. Box 149348
Austin, TX 78714-9348

EXHIBIT 1

Jeff Carruth

From: Steve Hutcheson [hutch@chfirm.com]
Sent: Thursday, December 17, 2009 3:11 PM
To: Jeff Carruth
Cc: Chuck Cobbe; Elizabeth Rader; Geena Piwetz
Subject: Meeting [Plantation]

Jeff,

I was in a disclosure statement hearing all day yesterday so I just now read an email from our client regarding what they will want before they meet with Debtor's representatives. Here is their request:

Before they have a conference call with James Goody to discuss the budget, they would like to see:

1. 2nd and 3rd quarter 2009 operating statements,
2. a copy of the management agreement with Legend Asset Management,
3. the underlying workpapers for the budget,
4. current rent roll,
5. evidence of the current cash balance in the DIP account, and
6. an accounts payable schedule.

Our client also requests an inspection of the property. All of this will aid in their review of the budget and will facilitate their conversation with Goody.

Thanks,

Steve

Stephen T. Hutcheson
Of Counsel
CAVAZOS, HENDRICKS, POIROT & SMITHAM, P.C.
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EXHIBIT 1

Jeff Carruth

From:	Jeff Carruth
Sent:	Monday, December 28, 2009 10:29 AM
To:	Steve Hutcheson; Chuck Cobbe
Cc:	Jeff Carruth
Subject:	Plantation - response to information regarding cash collateral
Attachments:	Plantation House June 2009 Operating Statement.pdf; Plantation House Management Agreement (Filed with Court on 12-17-09).pdf; Plantation House November 30, 2009 Rent Roll.pdf; Plantation House September 2009 Operating Statement.pdf; Plantation House November 30, 2009 Accounts Payable.pdf
Importance:	High

Steve and Chuck:

Pursuant to your client's request for information prior to scheduling a conference call with the Debtor, attached please find the following items:

1. 2nd and 3rd Quarter 2009 Operating Statements for Plantation House Apartment.
2. The proposed management agreement as filed with the Court.
3. A current rent roll for the most recent month end.
4. An accounts payable schedule for the most recent month end.

Please note that there are no "work papers" for the cash collateral budget, and thus far there is no "evidence of the current cash balance in the DIP account" as the Debtor has not received yet any bank statements for the account and on-line access is not yet available. Mr. Goody will be available to report on the balance during the conference call.

Since the Debtor has provided this information, my client would like to set up the conference call to discuss the proposed and full-form cash collateral budget. My client is available today/Monday (12/28) and Tuesday (12/29). Given the time sensitive nature of finalizing cash collateral, please let me know as soon as possible when your clients will be available for the call.

Another pending issue is the inspection that your client has requested, and I note that we have not received any further communication as to the date and time when your client proposes that the inspection is to occur. As discussed, the Debtor will require reasonable advance notice so that a Debtor representative can be made available.

We will have comments on the cash collateral order later today.

Thank you, and I look forward to your response as to the foregoing.

FRE 408

Jeff Carruth
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Direct: (469) 483-0218
Mobile: (214) 552-7242
Main: (972) 938-7334
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EXHIBIT 1

e-mail: jcarruth@bcylawyers.com
URL: www.elliscountybankruptcy.com

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This e-mail contains information that is intended only for the named recipient(s). The e-mail may contain confidential, attorney-client privileged information. If you have received this e-mail in error, please do not disclose or distribute it to anyone and please delete it.

EXHIBIT 2

Jeff Carruth

From:	James Goody [james@BAYEQUITY.com]
Sent:	Friday, February 12, 2010 9:04 PM
To:	Geena Piwetz
Cc:	Chuck Cobbe; Jeff Carruth
Subject:	Plantation House Conference Call Items
Attachments:	Plantation House November and December 2009 Payroll Fees Backup.pdf; Plantation House June 2008 to June 2009 General Liability Insurance Invoice.pdf; Plantation House December 31, 2009 Rent Roll.pdf; Plantation House Revised January 2010 Cash Collateral Order Budget.pdf

Geena-On January 27, 2010 at 11:15 am CST we participated in a conference call with you, me, Chuck and Jeff to discuss your additional questions about the November and December expenses and the January budget. During the call we all agreed that there were six specific items that were open issues and once they were addressed, the November and December expenses and January 2010 budget negotiation process would be completed. All previously unapproved November and December expenses could then be paid and the January expenses could be paid in accordance with the budget. The agreed upon list of items were as follows:

1) Is Legend marking up the payroll costs? Also, Dentwood thinks the workers comp expense is too high and wants to see support for the worker's comp rates.

2) Are SUT and TWC the same (ie; duplicate) expenses and have the 2009 limits been reached for FUTA and SUT?

3) Debtor will provide Dentwood with a copy of the December 2009 rent roll as Dentwood thinks the budgeted income number is too low.

4) The insurance escrow number appears low according to Dentwood. Debtor agreed it will adjust the escrow (if necessary) to reflect actual expenses for property and liability insurance.

5) Debtor and Dentwood disagree on whether a tax insurance escrow payment needs to be made for January 2010. Debtor indicated it would discuss this further with its counsel after the call.

6) Dentwood requested a copy of the January operating statement when it is completed. Debtor agreed to provide the operating statement if Dentwood and Debtor are able to resolve the outstanding budget issues.

We all went over the above list several times to make sure we were in agreement on the items in question.

As I indicated to you on Friday, January 29th, the management company has been researching your questions and the person that primarily handles payroll has been out of the office for medical reasons. Following are responses to the above items based on the information we have received from the management company to date:

1) Legend is not marking up the payroll costs. They in fact have not allocated all of the workers comp expenses to the property that they should be allocating and should increase the workers comp expenses being charged to the property. They have not been able to locate the original workers compensation premium bill used to determine the allocation and have requested a copy of the invoice from their insurance agent. Even though payroll costs were not part of the agreed upon final list (only one of your initial questions), I asked the management company to provide me with back up for the payroll fees. Attached is back up for the November and December payroll fees. The November 15th and December 15th expenses match the payroll invoices exactly; the November 30th invoice is off from the payroll invoice by $1; the December 31st invoice is off from the payroll invoice by $1.46. I assume the approximately $1 difference each month is due to rounding.

2) SUT and TWC are the same and this was a duplicate charge made in error. The total amount related to this error is immaterial (the un-prorated total for SUT for November and December 2009 is only $444.13) and they will fix the billing going forward. While researching both the workers comp and payroll expenses, Legend determined that they are actually using an old, lower workers comp rate and that they have not been charging all workers comp charges that should be charged (deductibles for claims, experience rating charges, etc.). There are also additional payroll expenses that have

EXHIBIT 2

not been charged to the property. Given the exorbitant amount of time it would take to go back through all of the payroll calculations and to determine the amounts owed to Legend for workers comp and payroll fees, I have agreed with them that we would not charge them back for the SUT in exchange for them not charging the property for additional expenses that are owed to Legend. Additionally, given the delays in reimbursing them for payroll costs as a result of the multiple requests for information by Dentwood, they have carrying costs related to advancing the funds for payroll and other expenses that they have agreed not to pursue.

In regards to the withholding limits, Legend does not calculate withholding limits, the payroll service (Paychex) does and it is assumed that if the employees reached their limits, Paychex properly calculated their withholding.

3) Attached is a copy of the December 2009 rent roll. As I communicated to you on the call, our estimate is based on income trends and we would rather estimate low to be conservative for budgeting purposes. We have increased the budgeted amount to move along the budgeting process.

4) The actual June 2009 to June 2010 liability insurance expense is $6,619.50 (see attached). The actual December 2009 to June 2010 property insurance is $14,552.42. The total annual insurance expense for Plantation House is $35,724.24 ($6.619.50 + $14,552.42 + $14,552.42). Dividing $35,724.24 by 12 equals a monthly insurance expense of $2,977.03. Accordingly, no adjustment to the $3,000 budgeted amount for insurance by Debtor is necessary. In fact, the amount should be lowered to account for the $6,080.83 in insurance escrow trust funds. However, Debtor will leave the expense as is at $3,000 in order to move along the budgeting process

5) Debtor disagrees with Dentwood's assertion that a January tax escrow payment is necessary. It is a fact that there there will be 12 escrow payments made (Feb 10 Mar 10, Apr 10, May 10, Jun 10, Jul 10, Aug 10, Sep 10, Oct 10, Nov 10, Dec 10, Jan 11) before the 2010 property taxes are to be paid on January 31, 2011. A January 2010 escrow payment is not necessary as it would be a 13th escrow payment. However, Debtor will agree to include a tax escrow payment in the January budget in order to move along the budgeting process. Attached is a revised January budget.

6) As indicated on the conference call on the 27th, Debtor will provide Dentwood with a copy of the January operating statement when is is completed if Dentwood and Debtor are able to resolve the outstanding budget issues.

Geena-We have made a number of concessions to Dentwood in order to bring this budgeting process to a conclusion. As we have indicated previously, the workers comp expense of approximately $1,000 per month is what it is and is a valid expense charged by a third party management company to the Debtor. We will send you the workers comp information when we receive it, but it should not hold up the payment of past due operating expenses and finalization of the January budget, which includes approximately $75,000 of budgeted operating expenses that need to be paid in order for the property to operate in a normal and reasonable manner. Please let me know if this email and the items contained herein are sufficient to resolve the outstanding items so that the previously unapproved November and December expenses can be paid and the January expenses can be paid in accordance with the budget.

Thank you,

James Goody

TEXAS BAY PLANTATION HOUSE LIMITED PARTNERSHIP
By: Texas Bay Plantation House General Partner, L.L.C.
Its: General Partner
By: James S. Goody
Its: Managing Member
P.O. Box 471300
San Francisco, CA 94147
Phone: (415) 321-1800

Note: Nothing contained herein constitutes the admission of any fact nor the waiver of any fact, claim, issue, remedy, or defense on the part of the Borrower/Debtor.

EXHIBIT 3-A

Plantation House Apartments
Use of Cash Collateral Budget
Estimated Income and Expenses and Beginning Cash for January 2010
DRAFT

	January
RENTAL INCOME	**56,470**
OTHER INCOME	
LATE FEES	1,600
NSF FEES	40
APPLICATION FEES	200
VENDING - LAUNDRY	325
VENDING - OTHER	15
UTILITY INCOME	3,500
FORFEITED SECURITY DEPOSITS	300
OTHER INCOME	50
TOTAL OTHER INCOME	**6,030**
ESCROW FUNDING	-
TOTAL INCOME	**62,500**
MANAGEMENT FEES	**2,188**
ADMINISTRATIVE EXPENSE	
ADVERTISING	1,000
BANK CHARGES	50
CREDIT REPORTING	235
EMPLOYEE UNITS	695
PROMOTIONAL	50
COMPUTER SUPPLIES/EXPENSE	635
TRAINING	50
LICENSE/FEES (Note 1)	100
PROFESSIONAL FEES	2,500
GAS MILEAGE/TRAVEL	1,500
OFFICE SUPPLIES/EXPENSE	500
PRINTING	20
POSTAGE	200
TELEPHONE	300
PAGERS	16
MISC ADMIN	200
TOTAL ADMIN EXPENSE	**8,051**
PAYROLL COSTS	
MANAGER SALARIES	3,000
ASST. MANAGER	2,300
MAINTENANCE SALARIES	3,400
MAKE READY SALARIES	2,100
PAYROLL TAXES	1,600
WORKERS COMPENSATION	1,300
BONUS	200
TOTAL PAYROLL COSTS	**13,900**
REPAIRS/MAINTENANCE	
HVAC SUPPLIES/REPAIRS	600
APPLIANCE PARTS/REPAIRS	800
CLEANING SUPPLIES	75
POOL SUPPLIES/REPAIR	100
LOCK & KEY MATERIAL	200
PLUMBING SUPPLIES/REPAIRS	195
ELECTRICAL SUPPLIES/REPAIRS	200
GLASS/SCREENS SUPPLIES/REPAIRS	600
GENERAL PARTS/SUPPLIES/REPAIRS	500
TOTAL REPAIRS/MAINTENANCE	**3,270**
BUILDING SVCS/CONTRACTORS	
CARPET REPAIRS/CLEANING	800
CLEANING CONTRACTOR	500
RESURFACE	300
FIRE SYSTEM REPAIR/SUPPLIES	25

Plantation House Apartments
Use of Cash Collateral Budget
Estimated Income and Expenses and Beginning Cash for January 2010
DRAFT

	January
FLOOR TILE	500
BUILDING-EXTERIOR EXPENSE	300
DRAPERY/BLINDS	200
GENERAL REPAIRS/MAINTENANCE	500
TOTAL BLDG SVCS/CONT	**3,125**
PAINTING/DECORATING	
PAINTING CONTRACTOR	1,300
PAINTING/WALLPAPER SUPPLIES	600
TOTAL PAINTING/DECORATING	**1,900**
LANDSCAPING	
LANDSCAPING	1,100
TOTAL LANDSCAPING	**1,100**
UTILITIES	
ELECTRICITY	2,500
GAS	2,800
WATER & SEWER	6,700
TOTAL UTILITIES	**12,000**
BUILDING SERVICES	
PEST CONTROL	160
TRASH REMOVAL	520
METER READING	170
TOTAL BUILDING SERVICES	**850**
INSURANCE /TAXES	
INSURANCE EXPENSE/ESCROW	3,000
PROPERTY TAXES EXPENSE **(NET OF ESCROW)** (Note 2)	19,838
TOTAL INSURANCE/TAXES	**22,838**
UTILITY DEPOSITS (WATER, ELECTRIC, GAS)	-
TOTAL EXPENSES	**69,222**
US TRUSTEE'S FEES	**650**
NET OPERATING INCOME	**(7,372)**

Note 1: Does not include City of Dallas inspection fees which may need to be paic in January 2010.
Note 2: Property Taxes Due of $64,890 less Escrow of $45,051.80 equals $19,838.2

January 2010 Beginning Cash Summary	
Beginning Cash 1/1/10 - DIP Account	103,928
Less: November Invoices	29,089
Less: December Invoices (Includes Property Insurance)	40,049
Less: December Unit Turn Expenses	8,453
Available Cash for January 201(	26,338

EXHIBIT 3-B

Plantation House Apartments
Use of Cash Collateral Budget
Estimated Income and Expenses for January 2010
REVISED DRAFT

	January
RENTAL INCOME	58,000
OTHER INCOME	
LATE FEES	1,600
NSF FEES	40
APPLICATION FEES	200
VENDING - LAUNDRY	325
VENDING - OTHER	15
UTILITY INCOME	3,500
FORFEITED SECURITY DEPOSITS	300
OTHER INCOME	50
TOTAL OTHER INCOME	6,030
ESCROW FUNDING	-
TOTAL INCOME	64,030
MANAGEMENT FEES	2,241
ADMINISTRATIVE EXPENSE	
ADVERTISING	1,000
BANK CHARGES	50
CREDIT REPORTING	235
EMPLOYEE UNITS	695
PROMOTIONAL	50
COMPUTER SUPPLIES/EXPENSE	635
TRAINING	50
LICENSE/FEES (Note 1)	100
PROFESSIONAL FEES	2,500
GAS MILEAGE/TRAVEL	1,500
OFFICE SUPPLIES/EXPENSE	500
PRINTING	20
POSTAGE	200
TELEPHONE	300
PAGERS	16
MISC ADMIN	200
TOTAL ADMIN EXPENSE	8,051
PAYROLL COSTS	
MANAGER SALARIES	3,000
ASST. MANAGER	2,300
MAINTENANCE SALARIES	3,400
MAKE READY SALARIES	2,100
PAYROLL TAXES	1,600
WORKERS COMPENSATION	1,300
BONUS	200
TOTAL PAYROLL COSTS	13,900
REPAIRS/MAINTENANCE	
HVAC SUPPLIES/REPAIRS	600
APPLIANCE PARTS/REPAIRS	800
CLEANING SUPPLIES	75
POOL SUPPLIES/REPAIR	100
LOCK & KEY MATERIAL	200
PLUMBING SUPPLIES/REPAIRS	195
ELECTRICAL SUPPLIES/REPAIRS	200
GLASS/SCREENS SUPPLIES/REPAIRS	600
GENERAL PARTS/SUPPLIES/REPAIRS	500
TOTAL REPAIRS/MAINTENANCE	3,270
BUILDING SVCS/CONTRACTORS	
CARPET REPAIRS/CLEANING	800
CLEANING CONTRACTOR	500

Plantation House Apartments
Use of Cash Collateral Budget
Estimated Income and Expenses for January 2010
REVISED DRAFT

	January
RESURFACE	300
FIRE SYSTEM REPAIR/SUPPLIES	25
FLOOR TILE	500
BUILDING-EXTERIOR EXPENSE	300
DRAPERY/BLINDS	200
GENERAL REPAIRS/MAINTENANCE	500
TOTAL BLDG SVCS/CONT	**3,125**
PAINTING/DECORATING	
PAINTING CONTRACTOR	1,300
PAINTING/WALLPAPER SUPPLIES	600
TOTAL PAINTING/DECORATING	**1,900**
LANDSCAPING	
LANDSCAPING	1,100
TOTAL LANDSCAPING	**1,100**
UTILITIES	
ELECTRICITY	2,500
GAS	2,800
WATER & SEWER	6,700
TOTAL UTILITIES	**12,000**
BUILDING SERVICES	
PEST CONTROL	160
TRASH REMOVAL	520
METER READING	170
TOTAL BUILDING SERVICES	**850**
INSURANCE /TAXES	
INSURANCE ESCROW	3,000
PROPERTY TAXES EXPENSE (NET OF ESCROW) (Note 2)	19,838
PROPERTY TAXES ESCROW (Note 3)	5,408
TOTAL INSURANCE/TAXES	**28,246**
UTILITY DEPOSITS (WATER, ELECTRIC, GAS)	-
TOTAL EXPENSES	**74,683**
US TRUSTEE'S FEES	**650**
NET OPERATING INCOME	**(11,303)**
ADD BACK ANNUAL PROPERTY TAXES	**19,838**
NET OPERATING INCOME NOT INCLUDING ANNUAL PROPERTY TAXES	**8,535**

Note 1: Does not include City of Dallas inspection fees
Note 2: Property Taxes Due of $64,890 less Escrow of $45,051.80 equals $19,838.20
Note 3: Debtor does not believe a January tax escrow payment is necessary. Payment is shown at Dentwood's request.
Note 4: Net Operating Income for January would be $8,535 if the annual property tax payment were removed from the January expenses.

EXHIBIT 4

Plantation House Apartments
Use of Cash Collateral Budget
Estimated Income and Expenses for February, March and April 2010
DRAFT

	February	March	April
RENTAL INCOME	58,000	58,000	58,500
OTHER INCOME			
LATE FEES	1,600	1,600	1,600
NSF FEES	40	40	40
APPLICATION FEES	200	200	200
VENDING - LAUNDRY	325	325	325
VENDING - OTHER	15	15	15
UTILITY INCOME	3,500	3,500	3,500
FORFEITED SECURITY DEPOSITS	300	300	300
OTHER INCOME	50	50	50
TOTAL OTHER INCOME	6,030	6,030	6,030
ESCROW FUNDING	-	-	-
TOTAL INCOME	64,030	64,030	64,530
MANAGEMENT FEES	2,241	2,241	2,259
ADMINISTRATIVE EXPENSE			
ADVERTISING	1,000	1,000	1,000
BANK CHARGES	50	50	50
CREDIT REPORTING	235	235	235
EMPLOYEE UNITS	695	695	695
PROMOTIONAL	50	50	50
COMPUTER SUPPLIES/EXPENSE	435	435	435
TRAINING	50	50	50
LICENSE/FEES	100	100	100
PROFESSIONAL FEES	2,500	2,500	2,500
GAS MILEAGE/TRAVEL	1,500	1,500	1,500
OFFICE SUPPLIES/EXPENSE	150	150	150
PRINTING	20	20	20
POSTAGE	200	200	200
TELEPHONE	300	300	300
PAGERS	16	16	16
MISC ADMIN	157	157	157
TOTAL ADMIN EXPENSE	7,458	7,458	7,458
PAYROLL COSTS			
MANAGER SALARIES	3,000	3,000	3,000
ASST. MANAGER	2,300	2,300	2,300
MAINTENANCE SALARIES	3,400	3,400	3,400
MAKE READY SALARIES	2,100	2,100	2,100
PAYROLL TAXES	1,600	1,600	1,600
WORKERS COMPENSATION	1,300	1,300	1,300
BONUS	200	200	200
TOTAL PAYROLL COSTS	13,900	13,900	13,900
REPAIRS/MAINTENANCE			
HVAC SUPPLIES/REPAIRS	600	600	600
APPLIANCE PARTS/REPAIRS	800	800	800
CLEANING SUPPLIES	75	75	75
POOL SUPPLIES/REPAIR	100	100	100
LOCK & KEY MATERIAL	200	200	200
PLUMBING SUPPLIES/REPAIRS	195	195	195
ELECTRICAL SUPPLIES/REPAIRS	200	200	200
GLASS/SCREENS SUPPLIES/REPAIRS	600	600	600
GENERAL PARTS/SUPPLIES/REPAIRS	500	500	500
TOTAL REPAIRS/MAINTENANCE	3,270	3,270	3,270

Plantation House Apartments
Use of Cash Collateral Budget
Estimated Income and Expenses for February, March and April 2010
DRAFT

	February	March	April
BUILDING SVCS/CONTRACTORS			
CARPET REPAIRS/CLEANING	800	800	800
CLEANING CONTRACTOR	500	500	500
RESURFACE	300	300	300
FIRE SYSTEM REPAIR/SUPPLIES	25	25	25
FLOOR TILE	500	500	500
BUILDING-EXTERIOR EXPENSE	300	300	300
DRAPERY/BLINDS	200	200	200
GENERAL REPAIRS/MAINTENANCE	500	500	500
TOTAL BLDG SVCS/CONT	**3,125**	**3,125**	**3,125**
PAINTING/DECORATING			
PAINTING CONTRACTOR	1,300	1,300	1,300
PAINTING/WALLPAPER SUPPLIES	600	600	600
TOTAL PAINTING/DECORATING	**1,900**	**1,900**	**1,900**
LANDSCAPING			
LANDSCAPING	1,100	1,100	1,100
TOTAL LANDSCAPING	**1,100**	**1,100**	**1,100**
UTILITIES			
ELECTRICITY	2,500	2,500	2,500
GAS	2,800	2,800	2,800
WATER & SEWER	6,700	6,700	6,700
TOTAL UTILITIES	**12,000**	**12,000**	**12,000**
BUILDING SERVICES			
PEST CONTROL	160	160	160
TRASH REMOVAL	520	520	520
METER READING	170	170	170
TOTAL BUILDING SERVICES	**850**	**850**	**850**
INSURANCE /TAXES			
INSURANCE EXPENSE/ESCROW	3,000	3,000	3,000
PROPERTY TAXES EXPENSE/ESCROW	5,408	5,408	5,408
TOTAL INSURANCE/TAXES	**8,408**	**8,408**	**8,408**
UTILITY DEPOSITS (WATER, ELECTRIC, GAS)	-	-	-
TOTAL EXPENSES	**54,252**	**54,252**	**54,270**
US TRUSTEE'S FEES	**650**	**650**	**650**
NET OPERATING INCOME	**9,128**	**9,128**	**9,610**
DEBT SERVICE PAYMENTS TO LENDER	7,985	7,985	7,985
NET CASH FLOW	**1,143**	**1,143**	**1,625**

EXHIBIT 5

Jeff Carruth

From:	James Goody [james@BAYEQUITY.com]
Sent:	Friday, January 22, 2010 10:55 AM
To:	Geena Piwetz
Cc:	Jeff Carruth; ccobbe@chfirm.com; Elizabeth Rader
Subject:	AT&T Phone Bills Status - Immediate Response Required
Attachments:	Plantation House ATT November 2009 Bill.PDF; Plantation House ATT December 2009 Bill.PDF
Importance:	High

Geena-We sent you the below message and attached bills on Wednesday and indicated to you that the phone service being shut off was a life safety issue and immediate payment to turn the service back on was needed. We then sent you a follow up message that afternoon. You responded the next day that your attorney would be responding to our attorney regarding the bills. When we asked you why there was an issue with the bills, you refused to respond. We have not received any further response from you or your attorney to date.

The bills (which are attached again for your convenience) are as follows:

November Bill is $173.31
December Bill is $265.98 plus $11.27 late fee for November Bill

Total due is $450.56 for November and December 2009

We have made it very clear to Dentwood that the payment of these bills is a time sensitive, life safety issue. The bills are very clearly for the property and the total due is not a material amount. Dentwood's refusal to approve this expense is yet another example of its attempts to devalue the property by unreasonably hindering the Debtor's ability to operate the property.

Code compliance has contacted the property manager this morning and indicated that if the service is not turned on today, it will start assessing fines against the property. We are requesting, once again, that Dentwood or its counsel provide an immediate response regarding these bills so that service can be reinstated.
James Goody

TEXAS BAY PLANTATION HOUSE LIMITED PARTNERSHIP
By: Texas Bay Plantation House General Partner, L.L.C.
Its: General Partner
By: James S. Goody
Its: Managing Member
P.O. Box 471300
San Francisco, CA 94147
Phone: (415) 321-1800
Email: james@bayequity.com

Note: This email and all attachments are subject to Rule 408 of the Federal Rules of Evidence, are for settlement purposes only, and are confidential and privileged from any subsequent use or disclosure. Nothing contained herein constitutes the admission of any fact nor the waiver of any fact, claim, issue, remedy, or defense on the part of the Borrower/Debtor.

From: James Goody
Sent: Wednesday, January 20, 2010 12:22 PM
To: 'Geena Piwetz'
Cc: 'Jeff Carruth'; 'ccobbe@chfirm.com'; 'Elizabeth Rader'
Subject: AT&T Phone Bills - Additional Documentation for November and December - Time Sensitive

EXHIBIT 5

Geena-Attached are all pages of the November and December AT&T phone bills. The phones were disconnected today for non-payment and we need to make immediate payment to have the service turned back on as it is a life/safety issue if the phones are not working. Please approve the payment of the November and December AT&T invoices plus any reconnect charges charged by AT&T to turn the phones back on.

Thank you,

James Goody

TEXAS BAY PLANTATION HOUSE LIMITED PARTNERSHIP
By: Texas Bay Plantation House General Partner, L.L.C.
Its: General Partner
By: James S. Goody
Its: Managing Member
P.O. Box 471300
San Francisco, CA 94147
Phone: (415) 321-1800
Email: james@bayequity.com

Note: This email and all attachments are subject to Rule 408 of the Federal Rules of Evidence, are for settlement purposes only, and are confidential and privileged from any subsequent use or disclosure. Nothing contained herein constitutes the admission of any fact nor the waiver of any fact, claim, issue, remedy, or defense on the part of the Borrower/Debtor.

EXHIBIT 6

Plantation House Apartments
November - December 2009 Expenses

Vendor	Service	Submitted November	Submitted December	Approved Y/N	Approved 1/19/2010 November	Approved 1/19/2010 December	Comments
Legend Asset Management	11/09 Management fee	2,012.60		N			Provide calculation
	12/09 Management fee		2,053.00	N			Provide calculation
	11/09 Payroll reimbursement	12,932.44		N			Provide actual payroll check detail from payroll processing company
	12/09 Payroll reimbursement		13,499.74	N			Provide actual payroll check detail from payroll processing company
	12/09 Bonus		100.00	N			Provide actual payroll check detail from payroll processing company
	11/09 Payroll Processing	175.30		N			Provide invoice
	12/09 payroll Processing		205.16	N			Provide invoice
	11/09 Bank Charges	63.00		N			Provide support
Bank of America	12/09 Bank Charges		6.00	Y		5.00	$5.00 service charge reflected on DIP December statement
Apartment Association of Greater Dallas	Laser Click Processing	73.20		Y	73.20		
AT&T	11/1-11/30 Telephone/Internet/LD	173.31		N			Provide pages 2-4 of invoice
	12/1-12/31 Telephone/Internet/LD		265.98	N			Provide pages 2-4 of invoice
American Messaging	11/15-12/14 Pager	15.78		Y	14.28		Late fee for 10/15 invoice excluded
	12/15-1/14 Pager		15.78	Y		15.78	
Juan Esqueda	11/09 Cleaning	500.00		N			Is this an invoice created by Legend? Is reimbursement to Legend? Only jotted amount shown.
[illegible]	11/9 Elliot's cash purchase	21.63		N			Provide vendor name, i.e. who is reimbursed?
Melody Parra	11/12 Elliott's cash purchase	29.99		Y	29.99		
Johnstone Supply	11/17 HVAC parts	101.81		Y	101.81		
North Dallas Flooring	Invoice # 9013	430.01		Y	430.01		
	Invoice # 9015	233.70		Y	233.70		
	Invoice # 9014	207.83		Y	207.83		
	Invoice # 9009	524.80		N			Invoice # is out of order and date has been tampered with
Tonya Diaz	Invoice dated 11/31/09	325.00		N			Is this an invoice created by Legend? Is this a reimbursement to Legend?
Euro Discount Painting	Invoice dated 11/12/09	250.00		Y	250.00		
QTC Fence, Yard and Landscape	11/09 yard maintenance	700.00		Y	700.00		
	12/09 yard maintenance		700.00	Y		700.00	
Jimmy D. Huey	Lawn seeding	270.63		Y	270.63		
Glacial Energy of Texas	2601 Hudnall 11/2-11/5			Y	24.32		
	2601 Hudnall Hlts 11/2-11/5			Y	2.56		
	2623 Hudnall Hlts 11/2-11/4			Y	25.47		
	2623 Hudnall Apt 11 11/2-11/4			Y	9.87		
	2625 Hudnall Hlts 11/2-11/4			Y	15.17		
	2625 Hudnall Apt 12 11/2-11/5			Y	10.77		
	2727 Hudnall Hlts 11/2-11/5			Y	20.77		
	2727 Hudnall Lndy 11/2-11/5			Y	21.30		

EXHIBIT 6

			183.68			130.22		Late charge excluded; proration corrected
	2601 Hudnall	11/6-12/9			Y		189.80	
	2601 Hudnall Hlts	11/6-12/9			Y		18.54	
	2623 Hudnall Hlts	11/5-12/8			Y		255.08	
	2623 Hudnall Apt 11	11/5-12/8			Y		130.78	
	2625 Hudnall Hlts	11/5-12/8			Y		165.49	
	2625 Hudnall Apt 12	11/6-12/9			Y		108.69	
	2727 Hudnall Hlts	11/6-12/9			Y		156.31	
	2727 Hudnall Lndy	11/6-12/9			Y		158.21	
	Late Fee						16.02	Not necessary to prorate between post petition months
								Ignored utility assumption for 12/9-12/31
			908.27	1,126.24			1,198.92	
Atmos Energy	2627 Hudnall		24.79		N			For service TO 11/2; 11/2/2009 included on next invoice
	2601 Hudnall		24.29		N			For service TO 11/2; 11/2/2009 included on next invoice
	2625 Hudnall		23.82		N			For service TO 11/2; 11/2/2009 included on next invoice
	2627 Hudnall	11/2-12/2	781.87	835.79	Y		835.79	Not necessary to prorate between post petition months
	2601 Hudnall	11/2-12/2	686.59	733.94	Y		733.94	Shown as December since billing date 12/3/09
	2625 Hudnall	11/2-12/2	787.29	841.59	Y		841.59	Ignored estimate of utilities, include in Jan budget
City Of Dallas Water Utilities	2727 Hudnall		3,761.99		N			Provide page 2 of invoice
	2625 Hudnall		2,087.67		N			Provide page 2 of invoice
	2727 Hudnall	12/1-12/30		4,488.00	Y		4,343.23	Ignored estimation of 1 day
	2625 Hudnall	12/1-12/30		2,243.09	Y		2,170.73	Ignored estimation of 1 day
Webb Pest Control	11/09 Service		138.11		Y	138.11		Proration waived
	12/09 Service			146.77	Y		146.77	
Community Waste Disposal (CWD)	11/09 Service		479.36		Y	503.32		Proration waived
	12/09 Service			505.98	Y		505.98	
Sierra Utility	11/13 resident bill date		162.65		Y	162.65		
	12/14 resident bill date			153.17	Y		153.17	
The Greensheet	12/23-12/30 ads			156.00	Y		156.00	Invoice includes w/e 1/6 - 1/27 ad costs not requested for payment
Dallas Voice	12/18 ad			756.00	Y		756.00	
OneSite/Staples	office supplies			1,455.71	N			Provide actual invoice that includes items ordered
Keron Carpet Cleaning	Invoice # 1342			48.71	Y		48.71	
	Invoice # 1343			97.42	Y		97.42	
	Invoice # 1346			18.39	Y		18.39	
	Invoice # 1349			48.71	Y		48.71	
	Invoice # 1354			18.39	Y		18.39	
Bay Equity Real Estate Acquisitions	341 meeting travel			1,057.08	N			
Venbrook Insurance Services	12/21/09 - 6/15/2010 property coverage			8,471.59	Y		14,552.42	Did not agree to offset escrow
Total			29,091.41	40,048.23		3,245.75	27,346.94	

EXHIBIT 7

Jeff Carruth

From: Chuck Cobbe [ccobbe@chfirm.com]
Sent: Saturday, February 13, 2010 11:12 AM
To: Jeff Carruth
Subject: RE: Plantation - cash collateral hearing Feb. 19

Jeff,

That's fine, but Judge Hale will want to know whether the parties have attempted to confer. For that purpose, Dentwood will need to see the proposed budget before the hearing. Dentwood also reserves the right to question whether the debtor has provided adequate notice for a hearing on 2/19.

Regards,

Chuck Cobbe
214 573 7350

From: Jeff Carruth [mailto:jcarruth@bcylawyers.com]
Sent: Saturday, February 13, 2010 10:21 AM
To: Chuck Cobbe
Subject: Plantation - cash collateral hearing Feb. 19

I do not anticipate getting anywhere fast with your client on the Feb.-Mar. budget nor the Nov.-Jan. order.

I plan tee up cash collateral hearing for Fri. Feb. 19 while Mr. Goody is in town.

Thanks.

Jeff Carruth
REED & ELMQUIST, P.C.
604 Water Street
Waxahachie, TX 75165
Direct: (469) 483-0218
Mobile: (214) 552-7242
Main: (972) 938-7334
Fax: 1+(972) 923-0430
e-mail: jcarruth@bcylawyers.com
URL: www.elliscountybankruptcy.com

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